Appendix 8: CSBG Monitoring Process

Whether or not an agency requires corrective action depends on its final monitoring results, as determined by the following table:

Overall Performance Indicators

Result	Requirements	Action
Compliant	Fully Met ALL fundamental standards **AND** Fully Met 85% of the Net Overall Standards (Part One + Part Two)	*Required Action Plan*
Eligible for Improvement Plan	Not Met one or more fundamental standards **BUT** Fully Met 85% of the Net Overall Standards (Part One + Part Two)	*Required Action Plan (with additional MQIP expectations, if necessary)*
Improvement Plan Needed	Not Met one or more fundamental standards **AND** less than 85% of the Net Overall Standards (Part One + Part Two) are Fully Met	*Required Action Plan (with additional MQIP/QIP expectations)*

**Public Agency will be adjusted based upon IM-138 Organizational Standards for Public CSBG Eligible Entities.

IHCDA will issue a CSBG Monitoring Report to the agency's Executive Director within 30 calendar days from the exit conference. The following schedule lays out the timeline and tasks that follow to finalize the monitoring process.

Date:	Action:
TBA	CSBG Monitoring report is issued.
TBA (10 days after report issued)	Executive Director must respond to the CSBG Program Monitor to either: • Accept the monitoring report, or • Request consideration of specific standards through an informal appeal.
TBA (10 days after Executive Director responds)	IHCDA will respond by email with either: • An onsite monitoring completion letter, or • A response to the agency's informal appeal.
TBA (10 days after IHCDA's response)	Agency will respond by email to either: • Accept IHCDA's informal appeal response (at which time IHCDA will issue an onsite monitoring completion letter by Thursday March 7, 2024), or • Formally appeal any standard(s) still in contention. **The formal appeal must be sent by email to the IHCDA Chief Deputy Director of Programs, Emily Krauser, at ekrauser@ihcda.in.gov.**
TBA (10 days after agency's acceptance or appeal)	IHCDA's Chief Deputy Director of Programs will issue a decision letter and as warranted, an onsite monitoring completion letter. This decision is final.
TBA (60 days after Monitoring Report is issued)	Request for Monitoring T/TA support ($10,000) is due. • Can be submitted sooner than this date.
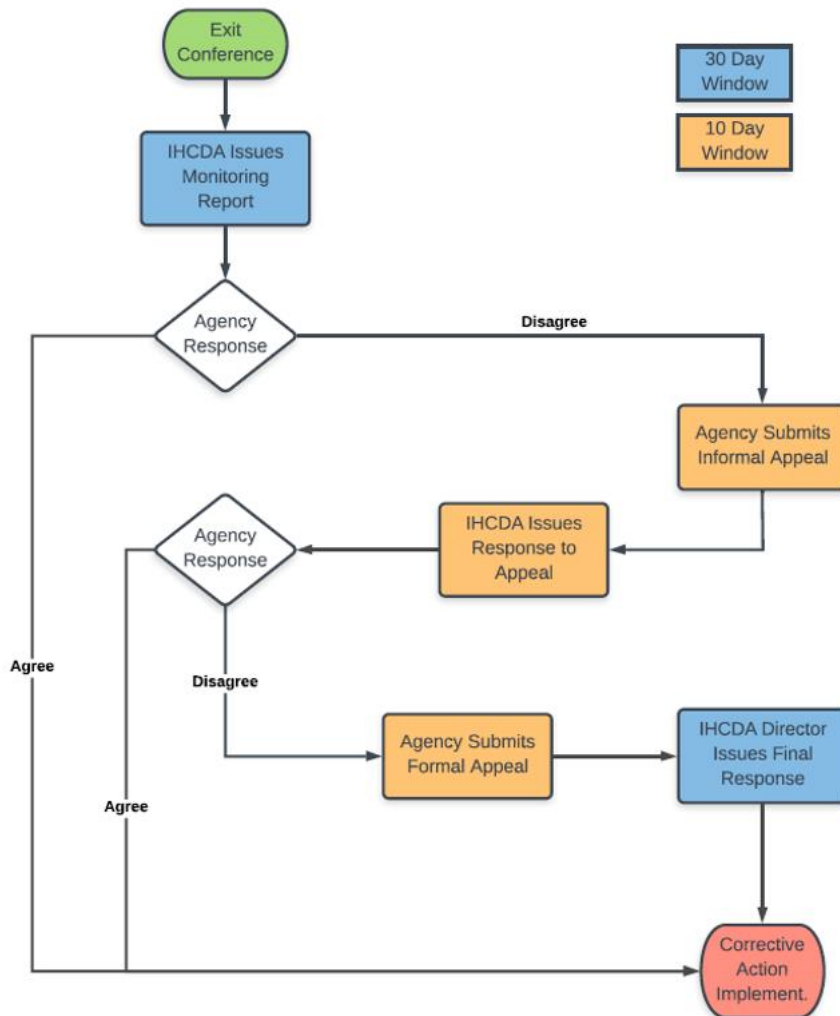
Corrective Action Category Description

IM 138 requires that a Technical Assistance Plan (TAP), what Indiana calls an Agency Action Plan (AAP), be developed in situations where CAAs are not meeting CSBG Organizational Standards. Based on the agreed upon deficiencies identified in monitoring, the CSBG Monitoring Completion Notification or Notice of Improvement Plan (MQIP/QIP) will outline the following course of action:

1. Agency Action Plan (AAP)

The AAP is prepared by the agency to address and resolve deficiencies identified in the monitoring report. Typically provided within 90 calendar days of the final monitoring report (or final decision letter from IHCDA), it should provide a timeline (month, day and year) for implementation or correction of each issue. If IHCDA finds that the AAP does not effectively resolve the deficiencies, IHCDA may determine that the agency requires additional monitoring and will be placed on a Modified Quality Improvement plan (MQIP) or Quality Improvement Plan (QIP).

It is the responsibility of the monitored agency to provide IHCDA with documentation of completed benchmarks. IHCDA may track the agency's progress through the AAP or at the next

monitoring session. Identified action items that are not completed by the next monitoring will be placed on the new report.

2. Modified Quality Improvement Plan (MQIP)

A MQIP is usually programmatic in nature, triggered by substantial changes to the organization's operational health and service delivery. Some examples include but are not limited to tripartite board non-compliance, board bylaws, fiscal issues, ROMA requirements, personnel or fiscal policies, conflict of interest practices and/or strategic and succession planning. At the invitation of the Executive Director, IHCDA will present the final monitoring report to the agency's Board of Directors. IHCDA may deem this step necessary if minimal progress is made throughout the MQIP process.

If the agency's performance score merits a MQIP, IHCDA will establish performance benchmarks along with a required completion date. IHCDA will review the plan and work with the agency to correct the listed deficiencies. Generally, the MQIP process should be completed within 180 calendar days and is quicker than a QIP. If progress deviates from the accepted timeline or does not meet the stated objective, IHCDA may determine the agency should be placed on a QIP.

Agencies that have been placed on a MQIP will be required to create direct lines of communication with IHCDA, providing progress reports during monthly or quarterly calls.

3. Quality Improvement Plan (QIP)

Section 678C(a)(4) of the CSBG Act allows for State discretion in the implementation of a QIP. A QIP is often financial in nature, triggered by substantial changes in the agency's fiscal health, e.g., outstanding debt, unpaid vendors, unallowable costs, or negative ratios. There may be significant program deficiencies that need to be addressed (see examples MQIP section above). Agencies are not required to have both program and fiscal deficiencies to be placed on a QIP. IHCDA's process for addressing noncompliance will follow the guidance set forth by Information Memoranda 116 (IM-116). The State is required (678C(4)(a)) to provide official notice to HHS of any agency placed on a QIP **within 30 calendar days** of accepting the agency's improvement plan. The State must also track progress on correcting deficiencies and training and technical assistance. The State will report the results of the IM-116 process to HHS.

The IHCDA monitor will present the Monitoring Report to the agency Board of Directors at the first available meeting after the agency has been notified of its QIP status. If the agency is placed on a QIP, IHCDA will set forth performance benchmarks to be included in its Corrective Action Plan (CAP) including anticipated completion dates. The submitted plan must be approved by the agency's governing board. IHCDA will review the plan and work with the agency to correct the listed deficiencies. The QIP process is usually longer than an MQIP.

Agencies placed on a QIP are required to create and implement direct lines of communication with IHCDA to:
*   Provide progress reports on the action plan during a monthly conference call.
*   Develop and submit a monthly QIP Implementation Scorecard to IHCDA which will track and demonstrate progress (%) in meeting the identified action items.
*   Provide the governing board with a progress report or the aforementioned QIP Implementation Scorecard at each scheduled meeting and submit the meeting minutes to IHCDA indicating discussion and board acceptance.
*   Provide supporting documentation upon request.

Additional special conditions <mark>may be</mark> initiated by IHCDA, including but not limited to:
- Governing Board President involvement in all correspondence and progress meetings
- Withholding authority until evidence of acceptable performance is provided
- Requiring additional, more detailed financial reporting
- Additional project monitoring (onsite and/or desk-top) to assure the agency is meeting the required performance benchmarks
- Requiring the agency to obtain technical assistance (T/TA)
- Working with the State Association to help correct failures
- Establishing additional prior approvals
- Additional analysis and increased frequency of denial from Request for Purchases of equipment or services using CSBG funds
- Additional review of claims submitted for payment

Failure to complete the QIP may result in continued monitoring or a reduction, withholding, or termination of the agency's CSBG funding. Specifically, if the agency fails to complete the QIP within multiple years, a final RAP will be required. Failure to successfully complete the final RAP may result in a reduction or termination of CSBG funding. **Note: significant deficiencies related to fiscal health, program integrity or fraud, waste and/or abuse may escalate this timeline.** During the QIP process, IHCDA follows the action steps for Information memorandum (IM) 116.

3.a The Information Memorandum (IM) 116 Overview
[Information Memorandum 116](#) provides background on statutory and regulatory requirements for terminating organizational eligibility or otherwise reducing the share of funding allocated to any CSBG-eligible entity. IHCDA must ensure accountability and prevent waste, fraud, or abuse of CSBG funds for each recipient.

IM 116 lays out a series of steps which would be taken by IHCDA throughout its oversight to assure compliance with the CSBG Act and applicable regulations cited in the agency's grantee agreement. Once an agency is placed on a QIP, IHCDA will notify the federal Office of Community Services (OCS). Ultimately, (A) the agency completes the necessary requirements and will be removed from the QIP, or (B) IHCDA will provide adequate notice to the agency and an opportunity to attend a public hearing for the reduction or termination of its funding due to failure to meet the timeline to resolve the deficiencies identified in the QIP.

After providing an opportunity for a public hearing, if IHCDA finds cause for termination or reduction in funding, the State may initiate proceedings to terminate the designation of or reduce the funding to the agency. If IHCDA determines funding will be reduced or that eligibility for CSBG funds will be terminated, IHCDA must notify both the agency and the HHS Secretary of the decision.

A Federal review of the State decision to reduce or terminate funding may be initiated through a request from the affected organization. In accordance with 45 CFR §96.92, an eligible entity has 30 days following notification by the State of its final decision to request a review by the Secretary of the Department of Health and Human Services (HHS).

The Monitoring Closeout Letter officially closes the monitoring event.

Updated Feb 2024